

NAMIBIA ASSET MANAGEMENT LTD ("NAM")
Registration No. 97/397
Registered in Namibia
ISIN Code: NA000AOJMZ44
NSX Share Code: NAM

REVIEWED FINANCIAL RESULTS FOR THE YEAR ENDED 30 SEPTEMBER 2023

Overview

The year under review was a continuation of the difficult environment that the business has been operating in for the last few years. Persistent inflation, high interest rates and geopolitical conflict have made markets volatile and weighed on global growth.

Against this unyielding backdrop, Namibia Asset Management (NAM) remains a leading investment firm that is committed to delivering long-term outperformance and service excellence to its clients.

Results

Total Assets under Management (AuM) increased by 4.3% to N\$16.9 billion (September 2022: N\$16.2 billion). Our institutional AuM increased by 5.8% to N\$14.6 billion (September 2022: N\$13.8 billion), while retail AuM declined by 4.2% to N\$2.3 billion (September 2022: N\$2.4 billion).

Revenue declined by 13.1% from N\$90.3 million in 2022 to N\$78.5 million in 2023 largely due to reduced performance fee earnings. Total operating expenses decreased by 14.2%, primarily due to our variable cost model.

Key outcomes from NAM's reviewed financial results for the year ended 30 September 2023 are as follows:

- Operating profit increased by 11.9% to N\$17.0 million (September 2022: N\$15.2 million). The increase in operating profit is mostly due to fair value gains on marketable security investments.
- Fund management earnings per share were down 5.6% to 7.10 cents per share (September 2022: 7.52 cents per share).
- Excluding the impact of the fair value gains on marketable security investments, operating profit (from fund management activities) decreased by 5.4% to N\$15.3 million.
- Headline earnings per share were up 18.8% to 8.22 cents per share (September 2022: 6.92 cents per share).

Business update and corporate citizenship

As part of implementing NAM's strategy of supporting increased localisation of investment management responsibilities, Colin Kalimba has assumed additional portfolio management responsibilities, which now include the management of our multi-asset unit trust funds. We have also appointed Ms Yambomwene Nehemia as our fixed income analyst. As a result, a significant portion of our fixed income portfolio will now be managed locally. The NAM Board has approved the expansion of our Namibian investment team to include additional investment analysts. A key focus in the coming months will thus be to appoint an additional equity analyst as part of this expansion programme.

Our CSI program continues to centre on supporting education and skills development of Namibia's youth. To this end, our bursary scheme provided funding to eight Namibian students who are pursuing finance and investment related academic courses at different tertiary education institutions in Namibia. This brings our total contribution to education through our bursary scheme to N\$ 4.1 million since it was established. A key addition to our bursary offering during the 2023 academic year was the inclusion of the CFA qualification in the eligible study programmes. We are also providing inhouse internship programmes to upskill young Namibians.

In addition to the bursary programme, which is administered by the UNAM Foundation, NAM sponsors students enrolled at approved institutions to pursue CTA studies that will enable them to become chartered accountants. This sponsorship is provided with a local partner, with both parties contributing equally to the financial requirements of the funded students.

Governance

The regulatory environment continues to be a key focus of NAM's attention. We have been monitoring developments related to the Financial Institutions and Markets Act (FIMA) and the associated regulations and standards that the Regulator has been engaging the industry on. Through our local industry association, we have been an active participant in the discussions around the implementation of this legislation, with a view to ensuring that there will be no unintended consequences for our clients, our business and the Namibian financial services industry.

During the year under review, our long serving Chairman of the Board, Mr Anton Pillay, announced his retirement from the NAM Board, effective 29 December 2023. Mr Pillay has been a non-executive director on the NAM Board since 2011 and assumed the role of Chairman following the death of our founding Chairman, Mr. Aaron Mushimba, during 2014. During his decade-long tenure as Chairman, Mr Pillay adeptly steered the business through the various market cycles. Mr Pillay continues in his role of CEO as Coronation, a strategic partner to NAM. We wish him well and thank him for his unwavering commitment to NAM.

Consequently, the Board has appointed Mr Llewellyn Smith as its Chairman. Mr Smith is the Chief Operating Officer of Coronation and has been a non-executive director on the NAM Board since January 2022. He brings with him a wealth of business leadership skills combined with extensive asset management experience. The Board congratulates him on his appointment.

We also announce the retirement of Ms Elize Angula from the NAM Board, effective 23 February 2024. Ms Angula is a long serving member of our Board and has made an enormous contribution to the Board. Ms Angula also served on the Social, Ethics and Sustainability Committee which was established in the 2022 financial year. We would like to thank Ms Angula for her invaluable contribution and selfless service to NAM.

Mr Nur-Reza Salie has been appointed to the NAM Board, effective 1 January 2024. Mr Salie, a qualified Chartered Accountant, joined Coronation in 2016 as a financial accountant and was appointed as Group Financial Accountant in 2019. We welcome Mr. Salie to the Board and look forward to his contribution to NAM.

With the appointment of Mr Smith as Chairman of the Board, he resigns from the Audit and Risk Committee. Mr Salie will be appointed to the Audit and Risk Committee as from 1 January 2024. Mr Schalk Walters continues in his role as Lead Independent Director.

Dividend

The Board resolved to declare an ordinary dividend of 6 cents per share (2022: 6 cents per share).

The salient dates are as follows:

Last day to trade:	1 December 2023
Ex-dividend:	4 December 2023
Record date:	8 December 2023
Payment date:	14 December 2023

Prospects

The environment remains volatile and complex. It is in conditions like these that high-quality processes such as ours deliver the most value. We believe that cheap valuations will result in many years of excellent returns for our clients. If we are proved correct in this assessment, it will be very positive for the business and its stakeholders.

We will continue to play our role as an active corporate citizen, and will collaborate with peers, industry bodies, our CSI partners and government, to find ways in which to boost Namibia's economic prosperity for the benefit of all citizens.

NAM is a leading investment firm that has been managing significant assets on behalf of Namibian investors for 27 years. We have operated successfully through numerous cycles and remain

a resilient and sustainable business, through ongoing investment in our people, our systems and client service.

External audit review

The external auditor, EY Namibia, has reviewed the Condensed Group Statement of financial position of the Namibia Asset Management Limited Group as at 30 September 2023, and the related Condensed Group Statement of comprehensive income, Condensed Group Statement of changes in equity, Condensed Group Statement of cash flows, and Notes to the condensed group annual financial statements. The review has been conducted in accordance with the International Standard on Review Engagements 2410. Copies of the unqualified review report of EY Namibia are available for inspection at the registered office of the Company. Any forward-looking information contained in this announcement has not been reviewed or reported on by the Group's external auditors.



A PILLAY
CHAIRMAN



T SHAANIKA
CHIEF EXECUTIVE OFFICER

16 November 2023

BOARD OF DIRECTORS

A Pillay* (Chairman)
T Shaanika (Chief Executive Officer)
B Uisso (Chief Financial Officer)
R G Young*
B Rossouw
S Walters
E Angula
L Smith*
E Kandongo
(* South African)

COMPANY SECRETARY

B Uisso
1st Floor, Millennium House, Corner of Robert Mugabe Avenue and
DR AB May Street, Windhoek
P.O. Box 23329, Windhoek, Namibia

REGISTERED OFFICE

1st Floor, Millennium House, Corner of Robert Mugabe Avenue and
DR AB May Street, Windhoek
P.O. Box 23329, Windhoek, Namibia

AUDITORS

Ernst & Young Namibia
Registered Accountants and Auditors
Chartered Accountants (Namibia)
Corner of Otto Nitzsche and Maritz Streets
P.O. Box 1857 Windhoek, Namibia

SPONSOR

IJG Securities (Pty) Ltd
Member of the NSX
4th Floor, 1@Steps, Corner of Grove and Chasie Streets, Windhoek
Windhoek, Namibia

TRANSFER SECRETARIES

Transfer Secretaries (Pty) Ltd
4 Robert Mugabe Avenue
P.O. Box 2401
Windhoek, Namibia

Release date: 16 November 2023

NAMIBIA ASSET MANAGEMENT LTD

**REVIEWED CONDENSED GROUP ANNUAL FINANCIAL RESULTS FOR THE YEAR ENDED
30 SEPTEMBER 2023**

CONDENSED GROUP STATEMENT OF COMPREHENSIVE INCOME

	Reviewed 30 Sept 2023 N\$	Audited 30 Sept 2022 N\$	% Change
Revenue (note 5)	78 468 832	90 268 837	(13.1%)
Other income*	2 853 092	(135 322)	2 208.4%
Operating expenditure	(64 297 928)	(74 923 054)	(14.2%)
Operating profit	17 023 996	15 210 461	11.9%
Finance income**	1 681 437	1 164 621	44.4%
Finance costs	(135 312)	(189 302)	(28.5%)
Profit before tax	18 570 121	16 185 780	14.7%
Taxation	(5 635 141)	(5 406 570)	4.2%
Profit attributable to ordinary shareholders	12 934 980	10 779 210	20.0%
Total comprehensive income for the period	12 934 980	10 779 210	20.0%
EARNINGS PER SHARE (cents)			
- Basic	8.22	6.92	18.8%
- Diluted	7.45	6.27	18.8%

**Movement in other income includes a fair value gain of N\$1 756 773 (2022: fair value loss of N\$934 110). Fair value movements are on marketable securities investments.*

***Movement in finance income due to shift from equity and multi asset marketable security investments to interest bearing marketable security investments.*

NAMIBIA ASSET MANAGEMENT LTD

**REVIEWED CONDENSED GROUP ANNUAL FINANCIAL RESULTS FOR THE YEAR ENDED
30 SEPTEMBER 2023**

CONDENSED GROUP STATEMENT OF FINANCIAL POSITION

	Reviewed 30 Sept 2023 N\$	Audited 30 Sept 2022 N\$
ASSETS		
Non - current assets	9 130 603	10 251 853
Property, equipment and right-of-use-assets	1 508 274	2 743 300
Marketable securities - statutory investments	6 000 000	6 000 000
Deferred tax	1 622 329	1 508 553
Current assets	44 757 799	62 420 964
Marketable securities - additional investments*	5 335 519	16 329 096
Trade and other receivables**	10 211 750	31 189 082
Current tax asset	100 526	636 672
Cash and cash equivalents*	29 110 004	14 266 114
TOTAL ASSETS	53 888 402	72 672 817
EQUITY AND LIABILITIES		
TOTAL EQUITY ATTRIBUTABLE TO ORDINARY SHAREHOLDERS	32 317 675	29 707 718
Issued capital	2 000 000	2 000 000
Share premium	1 811 177	1 811 177
Reserve for own shares (note 6)	(9 575 564)	(9 812 774)
Share based payment reserve	1 886 556	1 672 706
Retained earnings	36 195 506	34 036 609
Non-current liabilities	-	1 019 676
Lease liability	-	1 019 676
Current liabilities	21 570 727	41 945 423
Shareholders for dividends	504 477	486 840
Lease liability - current portion	1 110 692	970 464
VAT payable	119 118	44 975
Trade and other payables**	19 836 440	40 443 144
TOTAL EQUITY AND LIABILITIES	53 888 402	72 672 817

**Movement in marketable security - additional investments due to shift from equity and multi asset marketable security investments to interest bearing marketable security investments which are classified as cash and cash equivalents.*

***Movement in trade and other receivables and trade and other payables due to performance fees of N\$10 423 224 (2022: N\$21 063 907) being collected and paid before year-end.*

NAMIBIA ASSET MANAGEMENT LTD

REVIEWED CONDENSED GROUP ANNUAL FINANCIAL RESULTS FOR THE YEAR ENDED 30 SEPTEMBER 2023

CONDENSED GROUP STATEMENT OF CHANGES IN EQUITY

	Ordinary share capital N\$	Share premium N\$	Retained earnings N\$	Share based payment reserve N\$	Reserve for own Shares (note 6) N\$	Total N\$
Balance as at 1 October 2021 (audited)	2 000 000	1 811 177	34 832 681	2 395 701	(9 357 288)	31 682 271
Comprehensive income for the year	-	-	10 779 210	-	-	10 779 210
Profit for the year	-	-	10 779 210	-	-	10 779 210
Transactions with owners recorded directly to equity	-	-	(11 575 282)	(722 995)	(455 486)	(12 753 763)
Share based payments	-	-	-	597 462	-	597 462
Staff Share options exercised	-	-	-	59 636	214 414	274 050
Transfer between equity accounts*	-	-	1 380 093	(1 380 093)	-	-
Acquisition of NAM shares by the NSST Trust	-	-	-	-	(669 900)	(669 900)
Dividend declared to equity holders	-	-	(12 955 375)	-	-	(12 955 375)
Balance as at 30 September 2022 (audited)	2 000 000	1 811 177	34 036 609	1 672 706	(9 812 774)	29 707 718
Comprehensive income for the year	-	-	12 934 980	-	-	12 934 980
Profit for the year	-	-	12 934 980	-	-	12 934 980
Transactions with owners recorded directly to equity	-	-	(10 776 083)	213 850	237 210	(10 325 023)
Share based payments	-	-	-	888 700	-	888 700
Staff Share options exercised**	-	-	-	309 504	166 146	475 650
Transfer between equity accounts*	-	-	984 354	(984 354)	-	-
Acquisition of NAM shares by the NSST Trust**	-	-	-	-	(220 800)	(220 800)
Sale of NAM shares by the NSST Trust	-	-	604 033	-	291 864	895 897
Dividend declared to equity holders	-	-	(12 364 470)	-	-	(12 364 470)
Balance as at 30 September 2023 (reviewed)	2 000 000	1 811 177	36 195 506	1 886 556	(9 575 564)	32 317 675

*This equity transfer relates to the equity share based payments which were accrued for previously which have since been settled on the exercise of the respective share options.

**The exercise price payable to the NSST Trust from Staff Share options exercised and the purchase price payable by the NSST Trust for the Acquisition of NAM shares from staff had been settled on a net basis. As such there is no cash impact.

NAMIBIA ASSET MANAGEMENT LTD

**REVIEWED CONDENSED GROUP ANNUAL FINANCIAL RESULTS FOR THE YEAR ENDED
30 SEPTEMBER 2023**

CONDENSED GROUP STATEMENT OF CASH FLOWS

	Reviewed 30 Sept 2023 N\$	Audited 30 Sept 2022 N\$
Cash flows from operating activities		
Cash generated by operations	31 033 958	16 693 212
Finance income	1 681 437	1 164 621
Income taxes paid	(5 212 771)	(4 971 983)
Net cash generated from operating activities	27 502 624	12 885 850
Cash flow from investing activities		
Acquisitions of equipment to maintain operations	(12 758)	(551 073)
Proceeds from sale of computer equipment	-	2 500
Net cash used from investing activities	(12 758)	(548 573)
Cash flows from financing activities		
Dividend paid	(12 346 833)	(12 884 254)
Proceeds from the sale of shares	895 897	-
Acquisition of staff shares	-	(395 850)
Repayment of interest-bearing borrowings - Capital	-	(386 468)
Repayment of lease liability - Capital	(1 059 729)	(913 962)
Repayment of lease liability - Interest	(135 312)	(197 158)
Net cash used from financing activities	(12 645 976)	(14 777 692)
Increase / (decrease) in cash and cash equivalents	14 843 890	(2 440 415)
Cash and cash equivalents at the beginning of the period	14 266 114	16 706 529
Cash and cash equivalents at the end of the period	29 110 004	14 266 114

NOTES TO THE REVIEWED CONDENSED GROUP ANNUAL FINANCIAL STATEMENTS

1. Reporting entity

Namibia Asset Management Ltd (the "Company") is a Company incorporated in Namibia. The condensed Group annual financial statements for the year ended 30 September 2023 comprise the Company and its subsidiaries (together referred to as the "Group").

2. Statement of compliance

These condensed Group annual financial statements have been prepared using the framework principles, the recognition and measurement principles of the International Financial Reporting Standards (IFRS) and contain the presentation and disclosures required by IAS 34, Interim Financial Reporting and in the manner required by the Namibian Companies Act 28 of 2004. These condensed Group annual financial statements have not been audited but have been independently reviewed by the Group's external auditor's.

The Group has only one operating segment and thus no segmental reporting has been provided.

These condensed Group annual financial statements were approved by the Board of Directors on 16 November 2023.

3. Significant accounting policies

The accounting policies applied by the Group in these condensed Group annual financial statements are the same as those applied by the Group in its full Group annual financial statements as at and for the year ended 30 September 2022.

No new or amended IFRS standards became effective for the year ended 30 September 2023 that impacted the Group's reported earnings, financial position or accounting policies.

4. Fair value disclosure

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as closing prices) or indirectly (i.e. derived from closing prices).

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

NOTES TO THE REVIEWED CONDENSED GROUP ANNUAL FINANCIAL STATEMENTS (CONTINUED)

4. Fair value disclosure (continued)

30 September 2023 (reviewed)	Level 1	Total
	N\$	N\$
Financial assets mandatorily at fair value through profit or loss:		
- Marketable securities - statutory investments	6 000 000	6 000 000
- Marketable securities - additional investments	5 335 519	5 335 519
	11 335 519	11 335 519
<hr/>		
30 September 2022 (audited)		
<hr/>		
Financial assets mandatorily at fair value through profit or loss:		
- Marketable securities - statutory investments	6 000 000	6 000 000
- Marketable securities - additional investments	16 329 096	16 329 096
	22 329 096	22 329 096

5. Revenue from contracts with customers

Revenue comprises:

	30 Sept 2023 (reviewed)	30 Sept 2022 (audited)
	N\$	N\$
Unit trust fund fees	18 986 161	18 208 770
Segregated fund management fees	49 059 447	50 996 160
Segregated fund performance fees*	10 423 224	21 063 907
	78 468 832	90 268 837

*Segregated fund performance fees have been disclosed separately from Segregated fund management fees. Comparatives have been reclassified for improved disclosure purposes.

All revenue from customers is earned over time as defined in IFRS 15.

NOTES TO THE REVIEWED CONDENSED GROUP ANNUAL FINANCIAL STATEMENTS (CONTINUED)

6. Reserve for own shares

Movement in Reserve for own shares	No. shares	N\$
At 1 October 2021	44 295 800	(9 357 288)
Staff share options exercised	(1 015 000)	214 414
Acquisition of share by the NSST Trust	1 015 000	(669 900)
At 30 September 2022	44 295 800	(9 812 774)
Sale of shares by the NSST Trust	(1 317 500)	291 864
Staff share options exercised*	(750 000)	166 146
Acquisition of shares by the NSST Trust*	320 000	(220 800)
At 30 September 2023	42 548 300	(9 575 564)

*The staff share options exercised and the acquisition of NAM shares by the NSST Trust had no cash impact.

NAM has an incentive scheme under which NAM shares have been granted to employees as part of the long-term incentive scheme.

7. Related party transactions

No new significant related party transactions arose during the current period which differ in nature to those disclosed in the Group's annual financial statements for the year ended 30 September 2022.

8. Events subsequent to the reporting date

The directors are not aware of any material events, occurring between 30 September 2023 and the authorisation date of the announcement, that would have an impact on these results.

The directors remain confident that the Group will continue to deliver on its core strategy. We believe that the actions we take now will bode well for NAM in the future and we continue to look through the market noise to identify those opportunities that will deliver alpha through the cycle.

NOTES TO THE REVIEWED CONDENSED GROUP ANNUAL FINANCIAL STATEMENTS (CONTINUED)

9. Earnings per share

	Reviewed 31 Sept 2023 N\$	Audited 30 Sept 2022 N\$
Earnings		
Earnings per share is based on basic earnings of:	12 934 980	10 779 210
Headline earnings per share is based on headline earnings of:	12 934 980	10 776 710
Reconciliation of basic earnings to headline earnings		
Basic earnings	12 934 980	10 779 210
Gain from disposal of computer equipment	-	(2 500)
Headline earnings attributable to ordinary shareholders	<u>12 934 980</u>	<u>10 776 710</u>
Weighted average number of ordinary shares in issue	157 451 700	155 704 200
Diluted weighted average number of ordinary shares in issue*	173 679 200	171 973 070
Reconciliation of statutory shares in issue to diluted ordinary shares in issue		
Authorised and issued shares	200 000 000	200 000 000
Treasury shares		
- Shares held by NAM Staff Share Trust	(320 000)	(2 067 500)
- Shares held by The Orban Street Trust	(42 228 300)	(42 228 300)
Weighted average number of shares in issue**	<u>157 451 700</u>	<u>155 704 200</u>
Effect of share options outstanding	16 227 500	16 268 870
Diluted ordinary shares in issue	<u><u>173 679 200</u></u>	<u><u>171 973 070</u></u>
Basic earnings per share (cents)	8.22	6.92
Headline earnings per share# (cents)	8.22	6.92
Diluted earnings per share (cents)	7.45	6.27
Net asset value per share (cents)^	20.53	19.08

*Dilution of ordinary shares takes place if all staff exercise their options

**After consolidation of treasury shares held

#Calculated in terms of JSE's HEPS circular 6/2023

^The calculation of the Net asset value per share has changed from using the total issued shares to the total issued shares less treasury shares.

NOTES TO THE REVIEWED CONDENSED GROUP INTERIM FINANCIAL STATEMENTS (CONTINUED)

10. Reconciliation of Fund Management Earnings

Fund management earnings is used by management to measure operating financial performance, being profit for the year excluding the net impact of fair value gains and losses on marketable security investments held by the Group. In management's view, this measure represents the earnings from core business activities of the Group, being fund management activities.

The calculation of fund management earnings is based on headline earnings attributable to ordinary shareholders, adjusted for the fair value gains and losses on our investments held in Marketable securities disclosed in the Condensed Group Statement of comprehensive income. These gains and losses relate to the fair value movements on marketable security investments disclosed in the Condensed Group Statement of financial position.

	Reviewed 31 Sept 2023 N\$	Audited 30 Sept 2022 N\$
Headline earnings attributable to ordinary shareholders	12 934 980	10 776 710
(Gains)/losses on financial assets held at fair value through profit or loss	(1 756 773)	934 110
Fund management earnings	<u>11 178 207</u>	<u>11 710 820</u>
Fund management earnings per share (cents)	7.10	7.52
Diluted fund management earnings per share (cents)	6.44	6.81